Vienna, August 10, 1936.

Subject: DEVELOPMENTS IN THE AUSTRIAN INTERNAL AND EXTERNAL SITUATION.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Legation's confidential despatch No. 848, of July 31, 1936, reporting on recent Austrian internal and external political developments, and to submit the following supplementary information:

The Legation's despatch above referred to dealt principally with Nazi demonstrations in Vienna on the evening of July 30th, when the Olympic flamekindled in Greece
Greece was passing through Vienna on its way to inaugurate the Olympic Games in Berlin. As a result of these demonstrations some 700 persons were arrested, many of whom were Austrian Nazis recently released from prison under the terms of the amnesty of July 22, 1936, who therefore had to serve the remainder of the term recently pardoned them. It will also be remembered that the German broadcasting authorities, in disclaiming all responsibility for the incidents under reference, asserted that the demonstrators in question were Marxists disguised as Nazis. This story the Legation on the facts then known branded as false, and went on to say that there was a popular feeling abroad in Austria that German participation in or sympathy with these demonstrations should be immediately and authoritatively denied if the honor of German agreements was not once again to fall under suspicion. It was also added that the Austrian Government showed no intention of dealing gently with future Nazi offenders.

The official denial hoped for by a certain section of Austrian opinion have not been forthcoming, while the fact that the occurrences of July 29th have been far from pleasing to the Viennese public at large would seem to be shown by a mass meeting of the Patriotic Front held in a driving rain on the Am Hof in front of the Front’s headquarters on Friday evening, July 31st. A number of the Legation present estimated the attendance at some 35,000, of whom at least two-thirds paraded down the Ring after listening to a speech by Cabinet Minister and Secretary General of the Patriotic Front, Guido Hermette, the burden of which was “the streets belong to us”. The
crowd was orderly and quiet, but nevertheless did not give the impression of having been rehearsed. In fact, the attendance was made up of a class whose behavior was that of responsible citizens. That the events of two evenings before had irritated it, however, could be gathered from remarks overhead at random during Herr Bernsott's speech, and when the main bulk trudged away through the rain toward the Ring there was transmitted a definite feeling of protest.

That the demonstrations of the evening of July 29th were to a large degree German engineered, there now remains little doubt. In the Legation's confidential despatch No. 846 of July 27, 1886, it was mentioned on page 2 that Dr. Goschels had several agents in Vienna, one of whom had approached an official in the Foreign Office with a naive request for information concerning the various pains and penalties that might be visited upon Austrian citizens who found themselves present at meetings where the "Deutschlandlied" and "Himmelblauer Lied" were being played. The official in question replied in the terms of the recently signed Austro-German agreement to the effect that both these songs were prohibited except at indoor gatherings exclusively composed of German citizens. And yet upon the evening of July 29th, as reported in the Legation's confidential despatch No. 849 of July 31, 1886, both these songs were sung along the Ring. Moreover, subsequent police investigation of those arrested in connection with the events of the evening of July 29th has revealed the fact that large bodies of Austrians, not Hessin, were paid by sources believed to be from over the frontier to attempt
to sing the songs under reference, and shout appropriate slogans. Perhaps the most pathetic cases, of which there were a reasonable number, were Social Democrats and Jews who, for roughly an Austrian schilling a head, cried out as desired and thereby formed a basis for the Reich's assertion later that the disturbances had been caused by Marxists disguised as Nazis. Still, in the end, and although the affair was a triumph of organization, by being too perfect it has thoroughly aroused the Government and probably defeated its own purpose for some time to come.

So much for recapitulation. In the Legation's despatch No. 949 of July 31, 1936, reference was made to a speech delivered by Chancellor Schuschnigg on July 29th at Klagenfurt before the "Fasch Romain", a speech in which the Chancellor made his intentions toward future Nazi subversive activities clear. The Legation has now learned that on the day following that speech Dr. Schuschnigg went quietly over the frontier into Italy as far as Grado on the Adriatic. There, the Chancellor saw his son, and, as the Legation's informant who is close to the Chancellor remarked, "some personages". That said the Legation's informant, was inevitable, but the visit was purely of a private nature and there was no question of Dr. Schuschnigg seeing Signor Musсолini. In fact, said the Legation's informant, the Chancellor went to Grado only to see his son, and the Legation can see no reason to doubt that statement. The Chancellor is now at St. Gilgen, near Salzburg, on a short vacation, the newly appointed Secretary of State for Foreign Affairs under the Chancellor's guidance, Dr. Guido Schmidt, being with him.
with his most of the time.

Aside from the foregoing, there is little new to report save rumors, and indeed as the Legation mentioned in its confidential dispatch No. 864 of July 27, 1936, the summer vacation for Austrian officials has begun in earnest, and the political truce is on for at least the summer season. Dr. Ernst von Tonning, League of Nations Representative in Austria, has resigned his post effective October 1st of this year, a fact of considerable importance, and reported in a separate dispatch by the Legation, No. 955 of August 19, 1936. KING EDWARD of England at 11:50 a.m. yesterday passed through Salzburg on his way to join his chartered yacht at a Yugoslav port, still unknown, and spent almost two hours in that city. He did not, however, meet Crown Prince Humbert of Italy, who is in Salzburg at the moment. The King, instead, drove around the town during the interval of his stay. Where he will join the Royal yacht is exercising Viennese journalists, who profess to see great significance in his present activities. Briefly, they point to the presence of Crown Prince Humbert in Salzburg, to the fact that King Edward is sailing from a Yugoslav port, and generally underline Anglo-Italian rivalry. The Legation so far, however, sees no reason to look for ulterior motives. The ex-King of Spain has arrived in Vienna and is staying at the Imperial Hotel. This fact is also causing excitement in press circles in view of the existing situation in Spain, the theory being that King Alfonso cannot for the moment stay in Germany or Italy while a Fascist "putsch" is underway to restore his throne.

The Legation may have more to report on this subject later.
later.

Respectfully yours,

ASR/Imy.

File No. 800

George S. Messersmith.